

unfiled and therefore ineffective contract.

Second, the Accounting and Finance Staff of the Department of Public Service conducts ongoing audits of each telephone utility's books and records to determine whether the company is complying with the Uniform System of Accounts and other Commission orders relating to accounting. The Uniform System of Accounts prescribes comprehensive record keeping in affiliated transactions to facilitate audits. During the course of the continuing audit, an accountant would review the utility's payments to affiliates and investigate any payments that were unrelated to filed contracts. Third, the Commission requires New York Telephone to identify the transactions and charges by affiliate and provide the details in its Annual Report. Fourth, the Commission issued rules in 1988 governing affiliated transactions to prevent cross-subsidies. The rules require a filing identifying all affiliates that engage in transactions with the regulated entity, including a description of the nature of transactions, its terms, and the frequency of the transactions.

In addition, the rules establish a formula that caps the amounts paid to nonregulated affiliates at no more than the cost of services provided and a return on investment that is no greater than the return authorized for the regulated company. These rules also apply to transactions with third party affiliates, or chain transactions. Annual audits by independent accountants are conducted to determine compliance with this

formula and the audit records are reviewed by Department of Public Service Staff.

Fifth, the Department of Public Service Valuation and Cost Analysis Staff also examines certain of the company's operations and costs as part of its on-going responsibilities; the existence of a marketing contract with NYNEX Business Information Services Company (BISC) was discovered in the course of such examination.

Sixth, the Department of Public Service Office of Utility Efficiency and Productivity (OUEP) provides for a management and operations audit once every five years for New York Telephone (Public Service Law Section 96(6) and conducts audits of specific areas of the company's operations as the justification for a separate audit arises. For example, an audit was recently completed of New York Telephone's decision to engage an affiliate, NYNEX Material Enterprises Company (MECO), to remove retired crossbar central offices. Intrastate ratepayers were protected against any overcharges that might have resulted from these investigations because the current rate moratorium precluded a pass-through in rates since 1985. In addition, the Department's OUEP plans to undertake another general audit of New York Telephone's business transactions with its affiliates. This investigation is independent of the inquiry into affiliate transactions that is part of the proceeding to review the recent rate application.

2. Please describe NYTEL's filings pursuant to Section 110(3).

A listing of New York Telephone affiliated contracts filed since divestiture is attached as Appendix A. The list includes contracts entered into by New York Telephone's partially owned affiliate, NYNEX Service Company.

3. Please describe the PSC's method of reviewing NYTEL's filings.

The Department of Public Service Staff reviews each filed contract to determine if there is any reason to initiate hearings on the contract. Any unfiled contract discovered in the course of other examinations would be reviewed similarly. The determination of whether to recommend to the Commission that hearings on a particular contract be held would depend on a number of circumstances, including the nature and materiality of the contract. In most instances hearings would probably not be held. The absence of hearings on a specific contract, however, in no way limits the Commission's authority or ability to disallow, for ratemaking purposes, costs incurred under such contracts.

4. Please describe the PSC's method of reviewing charges which occur "otherwise" than "pursuant to contract."

Public Service Law Section 110(3) provides that "no charge for any such management, construction, engineering or similar service, whether made pursuant to contract or otherwise, shall

exceed the reasonable cost of performing such service," (emphasis added). This requirement complements the Commission's general jurisdiction to set just and reasonable rates, including the requirement that any cost incurred by the company for a service is reasonable and not excessive. The Commission reviews the charges for all services by means of the methods described in the answer to question 1, during the course of rate investigations, accounting and finance audits, annual reporting requirements, audits of affiliated transactions, valuation cost analysis examinations, and management and operations general and specific audits.

In addition, Public Service Law Section 110 (2) provides that the Commission "shall have jurisdiction over affiliated interests having transactions, other than ownership of stock and receipt of dividends thereon, with utility corporations and other utility companies under the jurisdiction of the commission, to the extent of access to all accounts and records of such affiliated interests relating to such transactions...." The Department of Public Service Staff reviews records of affiliates and utilities relating to transactions between the two. Existing statutes dealing with affiliated transactions are too restrictive because audits of transactions between nonregulated affiliates and third parties are not permitted. These transactions may affect billings to the regulated entity. It would be very helpful to have access to the affiliate's records relating to similar or related transactions with nonutility third parties or

with other affiliates of the utility in order to analyze the reasonableness of the affiliate's charges to utility.

5. Please describe any PSC investigations, hearing, findings, or disapprovals pursuant to Section 110(3).

Prior to divestiture in 1984, there was only one affiliated contract filed by New York Telephone Company, the License Contract with its parent, AT&T. That agreement was a standard contract which AT&T had with each of its operating telephone companies covering the provision of a variety of consolidated services, including Bell Laboratories research. In rate proceedings this Commission made adjustments to New York Telephone costs resulting from this contract and for excess profits gained by Western Electric Company from sales of equipment and supplies to New York Telephone.

Subsequent to divestiture, the Commission initiated investigations or held hearings related to, or disapproved the following New York Telephone contracts.

1. Directory Publishing Agreement (DPA) with NIRC.
2. Examination of NSM/BISC contracts (Case 28860).
3. Central Office Audit.
4. Allocation of costs from NYNEX corporate to New York Telephone, costs and benefits of Bellcore transactions, and marketing activities performed by NYNEX BISC (1984-85 Rate Investigation).
5. 1987 Review of MECO contract.

6. We would like to provide an answer to you for an additional information request related to affiliated transactions that you did not ask. Please describe the regulation that the PSC exercises over affiliated contracts in addition to its authority under Public Service Law Section 110 (3).

Public Service Law Section 99(2) requires the Commission to approve any contract for the transfer or lease of a telephone corporation's works or system. Two New York Telephone affiliated transactions were investigated under this section, the 400/500 Westchester Properties Transfer and the ISO Transfer. The company notified the Commission that it intended to transfer the 400/500 Westchester Properties to NYNEX Properties. The Commission initiated a special proceeding (Case 29407) to evaluate the transfer of the property which was included in New York Telephone's rate base. During the proceeding, independent appraisals were obtained of the value of the property; and, as a result the Commission approved a transfer at a value of \$25,000,000 instead of the original appraisal of \$20,000,000. The value of the company's rate base was adjusted by the higher amount.

The ISO transfer involved a merger of the New York Telephone computer support function with its New England counterpart. The company notified the Department by letter that it intended to effect a merger. The Commission ordered an investigation to review the reorganization. As a result, the Commission issued an order approving the asset transfer, but only

on the condition that the Department of Public Service Staff have the ability to obtain access to the books and records of the independent affiliate.

* * *

In addition to the questions related to the application of Public Service Law Section 110(3) to New York Telephone and its affiliates, you requested general information about PSC cases investigating the company's alleged overpayments and penalty actions relating to overpayments.

1. Please provide a copy of the Commission's actual order from the settlement case. A copy was sent to you last week.

2. Please provide a list of PSC cases dealing with NYTEL overpayments and the status of each case. A list follows:

I. MECO

A. Excess Profits. The issues are (1) determination of the methodology to be applied to quantify excess profits and (2) the quantification of 1991 excess profits in New York Telephone's rate case forecast. These issues will be considered in the pending rate case. The Staff will file its direct case on July 6, 1990 and the Public Service Law requires a decision to be made by January 1, 1991.

B. Central Office Equipment Cost of Removal. The issues are (1) determination of the approach to measure excess cost of removal expenditures and (2) quantification of the 1991 related adjustment to New York Telephone's rate case forecast. These issues will be considered in the pending rate case.

C. Efficiency/Propriety Issues. These issues relate to the operating cost issues of the MECO operation other than the central office equipment removal and excess profits issues including purchases from affiliates, outside purchasing and business practices. The affiliate purchasing and outside purchasing issues are under consideration in the rate case. The investigation of MECO business practices are the subject of an independent staff review and analysis.

D. Reorganization. The proposed transfer of the ownership of MECO to New York Telephone and New England Telephone raise issues relating to the impact of the transfer on rate year costs and the structure of the new organization. This issue relating to the impact on rate year costs will be investigated in the rate case; the Department of Public Service Staff will monitor and oversee the new organization.

II. NIRC

A. Imputation of revenues to New York Telephone. This will be a rate case issue, irrespective of any action taken on the pending license agreement.

B. License Agreement. New York Telephone has transmitted a proposed license agreement to the Commission and it is the subject of a Department of Public Service Staff review and analysis with respect to the need for a hearing, and the reasonableness of the charges proposed in the contract.

III. NSM/BISC

A. The proposed transfer of NSM from NYNEX to New York Telephone and New England Telephone raises issues relating to the impact on rate year costs and the structure of the new organization. The cost issue will be investigated in the rate case; the Department of Public Service Staff will monitor and oversee the new organization.

B. Excess New York Telephone Payments. The level of New York Telephone marketing expenses in the 1991 rate year forecast will be an issue in the rate case.

C. An examination of the NSM/BISC contracts is underway in Case 28860. Hearings have not been scheduled.

3. Please describe the recent history of the PSC's general use of Public Service Law Section 25 and describe what consideration has been given to applying Section 25 to the allegations of NYTEL overpayments.

Penalty actions have been viewed, generally as a last resort to be initiated when dealing with recalcitrant company, or in cases involving violations that threaten the public safety. This view has resulted from the fact that penalty actions are considered quasi-penal and the standard of proof is "beyond a reasonable doubt." Although the amount of the penalty that can be recovered was recently increased to a maximum of \$100,000 for each violation and a maximum of \$250,000 for violations involving public safety, the courts have not imposed significant penalties for violations of the Public Service Law.

As mentioned above, the Commission has comprehensive authority to establish just and reasonable rates. In devising a response to cross-subsidies or overpayments to affiliates, the Commission has the ability to deny recovery of these payments in rates or to impute revenues to the company. The courts generally hold the view that the general regulatory powers of the Commission are sufficient and more effective in dealing with utility transgressions and, accordingly, set penalties at a fraction of the maximum.

Penalty actions are used most frequently in situations involving safety violations by gas companies because the courts have been more supportive in situations in which a utility's disobedience has resulted in tangible harm to persons or property. In cases where we can show only a technical violation of the law, the rules or an order, and especially where there is some ambiguity or other plausible excuse, the courts have not been supportive of the penalty action process.

In addition, any funds recovered in penalty actions are allocated to the State's General Fund and are not used for the benefit of the ratepayers harmed by the transgression. The use of the Commission's authority to consider a company's violations in setting a company's return on equity would provide direct benefits to ratepayers.

The Department of Public Service Staff continually evaluates the possibility of initiating a penalty proceeding concerning the alleged NYTEL overpayments. However, a penalty action cannot be

initiated until evidence is adduced to permit a showing of a violation sufficient to satisfy the standard of proof required, viz,: "beyond a reasonable doubt." Sufficient information has not yet been uncovered to meet that test. A list of recent penalty actions is provided in Appendix B.

Appendix A

NEW YORK TELEPHONE COMPANY
AFFILIATED CONTRACTS/AGREEMENTS

<u>EFF. DATE</u>	<u>PARTIES</u>	<u>SUBJECT</u>
	NYNEX Service Company (NSC)	
1-1-84	NYT-NSC	Service Agreement for NSC to provide technical and other services to NYT.
1-1-84	NYT-NSC	Service Agreement for NYT to provide administrative, personnel and accounting services to NSC.
1-1-84	NSC-New England Tel.	NET's technical services to NET.
1-1-84	NSC-New England Tel.	NET's administrative, personnel and accounting services to NSC.
2-24-84	NSC-NYNEX Corp., IRC, MEC, BISC	Letters of agreement for NYT and NET to perform certain work functions. Discusses billings from NYT to NSC and NSC to other affiliates.
12-28-84	NSC-NYNEX	Retention of patent rights.
12-19-85	NSC-NYNEX Development	NSC to provide data processing services.
1-9-86	NSC-NYNEX Mobile Comm.	NMCC to use 1 NSC employee for Equal Access Planning.
5-29-86	NSC-NYNEX Credit Corp.	Financing for data processing equipment.
10-9-86	NSC-NYNEX Credit Corp.	Financing for data processing equipment.
1-1-84	NSC-Bellcore	Bellcore Intellectual Properties Agreement
1-1-84	NSC-Bellcore	Utilization and funding for Bell Operating Company Separations Information System

1-1-84	NSC-Bellcore	Funding for National Security and Emergency Preparedness
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1-1-84	NSC-Bellcore	Shareholders' Agreement
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NYNEX Business Information Services Company (BISC)

8-9-84	NYT-BISC	Sales Agreement - NYT Services
8-1-85	NYT-BISC	Sales Agreement - NYT Services
1-1-86	NYT-BISC	Sales Agreement - NYT Services
9-1-86	NYT-BISC	Sales Agreement - NYT Services
1-1-87	NYT-BISC	Sales Agreement - NYT Services
2-27-87	NYT-BISC	Sales Agreement - NYT Services
7-1-87	NYT-BISC	Sales Agreement - MYT Services

NYNEX Information Resources Company (IRC)

1-1-84	NYT-IRC	Directory Publishing Agreement
10-10-86	NYT-IRC	IRC access to NYT subscriber list for marketing trial
12-15-87	NYT-IRC	IRC access to NYT subscriber listings

NYNEX Mobile Communications Company (Mobile)

2-1-84	NYT-Mobile	Mobile to act as sales agent for NYT services
4-11-85	NYT-Mobile	NYT to perform billing and maintenance
4-30-85	NYT-Mobile	Transfer radio service from NYT to Mobile
4-15-86	NYT-Mobile	Minor amendment to 4-30-85 agreement
7-8-87	NYT-Mobile	Extends 4-11-85 Agreement

NYNEX Material Enterprises Company (MECO)

1-1-84	NYT-MECO	Provides for centralized purchasing
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Empire City Subway (ESC)

7-2-84	NYT-ESC	Empire to provide consulting and administrative services for underground conduit operations
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NYNEX Corporation (CORP)

1-1-84	NYT-CORP	Tax sharing agreement with respect to federal consolidated income tax returns
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Appendix B

- People of the State of New York v. Columbia Gas Transmission Corporation
- People of the State of New York v. American Penn Energy, Inc.
- People of the State of New York v. Country Knolls Water Works, Inc.
- People of the State of New York v. Union Drilling, Inc.
- People of the State of New York v. Central Corporation
- People of the State of New York v. Taconic Telephone
- People of the State of New York v. Citizens Telephone

DEPARTMENTAL BILL # 454

February 28, 1989

Appendix D

DPS #10R-89

Jean B. Cleary

CR
7341

M E M O R A N D U M

**AN ACT to amend the public
service law, in relation
to access to utility
records**

Purpose of Bill:

To clarify the Commission's authority to review records of a utility affiliate.

Summary of Provisions of Bill:

This bill would add a new paragraph b to Public Service Law §110(2) to provide that the Commission would have access at any time to the accounts, books, papers, documents and memoranda of any business which is an affiliated interest of a public utility. Further, the Commission would be authorized, in establishing rates, to disallow all or a portion of costs associated with affiliated transactions, when information is withheld or not made available to the Commission within a reasonable time. The bill would also designate the first paragraph of §110 as (a) and reletter paragraphs a through g as paragraphs i through viii. The act would take effect immediately.

Existing Law:

Public Service Law §110(2) confers on the Commission jurisdiction over affiliated interests having transactions with utilities and provides for access to all accounts and records of the affiliated interests relating to such transactions, including access to accounts and records of joint or general transactions. The statute defines "affiliated interests" as 1) persons who directly or indirectly own five percent or more of the voting stock of the utility; 2) corporations and persons in a chain of successive ownership of five percent or more of the capital stock of a utility; 3) a corporation, when five percent or more of its stock is owned by any person in (1) or (2) above; 4) officers or directors of the utility or a corporation in (1) or (2) above; 5) a corporation that has directors in common with the utility; and 6) persons found by the Commission to have substantial influence over the utility.

Statement in Support of Bill:

During the past decade there has been a significant increase in the number and variety of companies which have affiliations with utilities regulated by the Public Service Commission. This growth has been occasioned by a general expansion by utilities and/or their parents into competitive, non-jurisdictional enterprises. The utility companies have dependable revenues, earnings and cash flow providing financial stability to the consolidated group of companies.

The consolidated corporate structures of holding companies vary; the utility may be a holding company or a subsidiary. It is commonplace for the holding companies to transfer management personnel among the various affiliates. In addition, the companies may have interlocking boards of directors. Because of the close relationship between a utility and its affiliates, utility managers may not operate the regulated utility as an independent entity.

One of the most significant expansions into nonregulated enterprises occurred in the telecommunications industry when a major reorganization of the Bell System took place. As a result, in this State, New York Telephone Corporation became a wholly owned subsidiary of NYNEX holding company and affiliated with at least ten principle nonregulated NYNEX subsidiaries. Although NYNEX is the largest organization with regulated companies providing utility and nonregulated companies, other utilities also have nonregulated affiliates.

Some of these nonregulated affiliates provide materials and services to the regulated companies. For example, NYNEX Business Information Systems Company serves as a sales agent for New York Telephone Company and NYNEX Material Enterprises Company provides supplies, purchasing and technical services for New York Telephone Company. In general, affiliates provide centralized management, engineering, construction and financial services to the regulated utility and nonregulated companies. It is claimed, through not substantiated, that these affiliates provide service or materials at reduced cost reflecting the economies of scale involved in a larger corporate organization.

The regulated utility and its ratepayers pay the nonregulated affiliates for the materials and services provided, including a mark-up. Because of the close corporate relationship between a utility and its nonregulated affiliate, the potential for abuse is strong. These corporate relationships create numerous opportunities for a parent to use utility resources to benefit nonregulated enterprises: affiliate costs may be improperly assigned to the utility; the affiliates may charge a utility a price greater than cost plus a reasonable return; the affiliates may charge other affiliates or third parties less than they charge the utility for similar services. In addition,

utility executives or managers "help out" newly established affiliates and the cost of their time may not be allocated properly to the subsidiary.

Because there is a strong temptation to subsidize unregulated operations by improperly assigning costs to the regulated enterprise or possibly directing the utility to favor affiliates, the Commission must have complete access to utility and affiliate records. Although we believe that the existing authority in Public Service Law § 110(2) authorizes access to affiliates' books and records, utilities have challenged that view and this proposal would clarify the extent of the Commission's access to records. The Department's staff is especially concerned about access to the records of transactions between an affiliate and a nonregulated company. This would give our staff an excellent yardstick to gauge the reasonableness of the prices charged to the regulated affiliate.

In addition, requests for information are often unanswered, refused and in many instances, responses are unreasonably slow. The Public Service Law allows 11 months for a decision on a rate application, and staff's time to complete its review is much shorter. Any delay in responding to the staff's request for information may hamper an investigation and prevent the Commission from determining the full extent of improper subsidization of an affiliate. Without adequate information, rates may be higher than they should be. This concern reaches major proportions in investigations of New York Telephone Corporation rates because of the magnitude of business between New York Telephone and NYNEX subsidiaries. New York Telephone ratepayers pay millions of dollars to NYNEX subsidiaries. This proposal would put some "teeth" into the Commission's right to access by specifically codifying the Commission's authority to penalize a utility for any failure to provide access by disallowing costs associated with an affiliated interest.

The Commission needs to monitor closely utilities and their affiliates in this era of deregulation and diversification. The implications of misconduct are very serious and the opportunities for careless or purposeful subsidies to an affiliate abound. The codification of the Commission's complete authority and right to inspect affiliate books and records, papers and other information and disallow certain costs would assure that the ratepayer's interests are fully protected from unfair utility practices and that the utility is maintaining its commitment to the provision of reasonably priced utility service.

Budgetary Implications:

None.

Appendix E

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223

PUBLIC SERVICE COMMISSION

PETER A. BRADFORD
Chairman

HAROLD A. JERRY, JR.
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EDWARD M. KRESKY
HENRY G. WILLIAMS



WILLIAM J. COWAN
General Counsel

JOHN J. KELLIHER
Secretary

June 26, 1990

Thomas J. Fox
Committee Counsel
Room 731
Legislative Office Building
Albany, New York 12248

Dear Mr. Fox:

Bill Cowan is away on a well-deserved vacation, but before leaving he asked if I would provide an answer to your query concerning the source of our understanding that penalty actions, such as those prosecuted pursuant to §25 of the Public Service Law are "quasi-penal."

In responding to your question I pulled out several cases involving three different State Departments and three different penalty statutes. The first is a Public Service Commission case, People of the State of New York v. Ansonia Van and Storage Company, Inc., 42 Misc. 2d 328, 330 (Sup. Ct., Albany County, 1964), in which Judge Pitt stated:

It is clear then that penalties or forfeitures constitute, in effect, a fine for the violation of law or for the failure to comply with a provision of law. The fixation of such penalties or forfeitures is within the sole province of the court in a motion for summary judgment. They are penal in nature and are similar to fines levied in a criminal proceeding under a statute providing for the same not in excess of a fixed sum.

In People of the State of New York v. Consolidated Edison Company of New York, Inc., 41 A.D. 2d 809, 810 (3rd Dept, 1973), the Court said:

June 26, 1990

A statute which prescribes a civil penalty is penal in nature and must be construed strictly in favor of the party against whom the penalty is sought to be imposed. (44 N.Y. Jur., Penalties and Forfeitures, § 8; New York State Thruway Auth. v. Maislin Bros. Transport, 35 A D 2d 301, 303.)

Finally, in New York State Thruway Authority v. Maislin Bros. Transport Ltd., 35 A.D. 2d 301, 303 (3rd Dept. 1970), the Court said:

It is familiar law that a statute imposing a penalty or forfeiture shall be strictly construed and is not to be extended by implication or construed to cover cases not clearly within its terms (44 N.Y. Jur., Penalties and Forfeitures, § 8). It follows that the statutory provisions here under consideration may not be liberally construed and extended beyond the explicit authorization so as to vest in plaintiff the right to recover the penalty (cf. Matter of New Jersey Fid. & Plate Glass Ins. Co. v. Van Schaick, 236 App. Div. 223, affd. 261 N.Y. 521). *KJC*

Thus, it is clear that the courts view any case which may result in the levy of a monetary fine as "penal" in nature. Such statutes are strictly construed and doubt is resolved in favor of the defendant.

I hope this satisfies your inquiry, if I may be assistance, please call.

Very truly yours,



JOHN C. CRARY
Deputy General Counsel



RICHARD L. BRODSKY
Assemblyman 86th District
Westchester County

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIRMAN
Committee on Oversight, Analysis
and Investigation

Appendix E

September 12, 1990

Peter A. Bradford, Chairman
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223

Dear Commissioner Bradford:

As you know, the Assembly Committee on Oversight, Analysis and Investigation has been conducting an examination of the Public Service Commission's investigation of wrongdoing in New York Telephone Company's (NYTEL) transactions with unregulated NYNEX subsidiaries. This examination has included regular contact with your staff. Committee staff's finding is that the PSC has not fully utilized the investigatory and regulatory tools available to it. Enclosed is the Committee staff's report containing its findings and recommendations.

Our recommendation is that the PSC immediately commence the aggressive use of the full range of its statutory powers in the case of NYTEL as well as with other utilities. In the context of the NYTEL rate case we recommend that all NYTEL transactions with all affiliates be investigated for the reasonableness of cost. Full disclosure of affiliate records should be required. Outside of the rate case, we recommend rigorous review of all affiliate contracts. We also recommend that where evidence of wrongdoing exists, such as in the case of NYTEL, that civil penalties be pursued.

The public interest requires forceful, aggressive monitoring of regulated utilities' overpayments to unregulated affiliates and of malfeasance in affiliate transactions. Where overpayments and wrongdoing occur, they must be stopped--cold. Contract disapprovals and civil penalties are the appropriate tools for doing so.

The PSC staff's September 11, 1990 brief on affiliate issues contains some initial, slight movement towards the positions set forth in our report. The brief recognizes that an excess profits

adjustment does not account for the possibility that MECO was losing money on some lines of business. For this reason, the PSC staff recommends that NYTEL cause an independent audit of the MECO excess profits adjustment to "determine whether a product-line by product-line calculation of excess profits would cause a significant increase in the adjustment."

The PSC staff's recommendation is a positive step. But, many of the concerns raised in our report are not met by the staff recommendation. For example, the PSC staff recommends a product-line calculation of profits; we are recommending a calculation of cost. PSC staff recommends an audit of MECO transactions; we are recommending investigation of all unregulated affiliate transactions. The PSC staff recommendations do not address our recommendations regarding civil penalties and contract review procedures.

In the case of NYTEL, there is substantial evidence of overpayments and of wrongdoing. Still, the full picture remains unknown because only relatively narrow areas have been investigated. It is our wish that the enclosed report spur the PSC to maximize its potential for safeguarding the public interest both within the pending rate case and in other proceedings.

Best Wishes,

Richard Brodsky